

1983—Pub. L. 98-76 inserted “or tax imposed by section 3321” after “Federal unemployment tax”, and substituted “chapter 23 and 23A, as the case may be,” for “chapter 23”.

#### EFFECTIVE DATE OF 1988 AMENDMENT

Amendment by Pub. L. 100-647 applicable to remuneration paid after Dec. 31, 1988, see section 7106(d) of Pub. L. 100-647, set out as a note under section 3321 of this title.

#### EFFECTIVE DATE OF 1983 AMENDMENT

Amendment by Pub. L. 98-76 applicable to remuneration paid after June 30, 1986, see section 231(d) of Pub. L. 98-76, set out as an Effective Date note under section 3321 of this title.

#### EFFECTIVE DATE

Section applicable with respect to calendar years beginning after Dec. 31, 1969, see section 4(a) of Pub. L. 91-53, set out as a note under section 6157 of this title.

### Subchapter C—Lien for Taxes

#### Part

- I. Due process for liens.
- II. Liens.

#### AMENDMENTS

1998—Pub. L. 105-206, title III, §3401(a), July 22, 1998, 112 Stat. 746, added part analysis.

### PART I—DUE PROCESS FOR LIENS

#### Sec.

- 6320. Notice and opportunity for hearing upon filing of notice of lien.

#### AMENDMENTS

1998—Pub. L. 105-206, title III, §3401(a), July 22, 1998, 112 Stat. 746, added part heading and analysis consisting of item 6320.

### § 6320. Notice and opportunity for hearing upon filing of notice of lien

#### (a) Requirement of notice

##### (1) In general

The Secretary shall notify in writing the person described in section 6321 of the filing of a notice of lien under section 6323.

##### (2) Time and method for notice

The notice required under paragraph (1) shall be—

- (A) given in person;
- (B) left at the dwelling or usual place of business of such person; or
- (C) sent by certified or registered mail to such person's last known address,

not more than 5 business days after the day of the filing of the notice of lien.

##### (3) Information included with notice

The notice required under paragraph (1) shall include in simple and nontechnical terms—

- (A) the amount of unpaid tax;
- (B) the right of the person to request a hearing during the 30-day period beginning on the day after the 5-day period described in paragraph (2);
- (C) the administrative appeals available to the taxpayer with respect to such lien and the procedures relating to such appeals; and

(D) the provisions of this title and procedures relating to the release of liens on property.

#### (b) Right to fair hearing

##### (1) In general

If the person requests a hearing in writing under subsection (a)(3)(B) and states the grounds for the requested hearing, such hearing shall be held by the Internal Revenue Service Office of Appeals.

##### (2) One hearing per period

A person shall be entitled to only one hearing under this section with respect to the taxable period to which the unpaid tax specified in subsection (a)(3)(A) relates.

##### (3) Impartial officer

The hearing under this subsection shall be conducted by an officer or employee who has had no prior involvement with respect to the unpaid tax specified in subsection (a)(3)(A) before the first hearing under this section or section 6330. A taxpayer may waive the requirement of this paragraph.

##### (4) Coordination with section 6330

To the extent practicable, a hearing under this section shall be held in conjunction with a hearing under section 6330.

#### (c) Conduct of hearing; review; suspensions

For purposes of this section, subsections (c), (d) (other than paragraph (2)(B) thereof), (e), and (g) of section 6330 shall apply.

(Added Pub. L. 105-206, title III, §3401(a), July 22, 1998, 112 Stat. 746; amended Pub. L. 109-432, div. A, title IV, §407(c), Dec. 20, 2006, 120 Stat. 2962.)

#### AMENDMENTS

2006—Subsec. (b)(1). Pub. L. 109-432, §407(c)(1), substituted “in writing under subsection (a)(3)(B) and states the grounds for the requested hearing” for “under subsection (a)(3)(B)”.

Subsec. (c). Pub. L. 109-432, §407(c)(2), substituted “(e), and (g)” for “and (e)”.

#### EFFECTIVE DATE OF 2006 AMENDMENT

Pub. L. 109-432, div. A, title IV, §407(f), Dec. 20, 2006, 120 Stat. 2962, provided that: “The amendments made by this section [amending this section and sections 6330, 6702, and 7122 of this title] shall apply to submissions made and issues raised after the date on which the Secretary first prescribes a list under section 6702(c) of the Internal Revenue Code of 1986, as amended by subsection (a) [list prescribed Mar. 16, 2007, see I.R.S. Notice 2007-30, 2007-14, I.R.B. 883].”

#### EFFECTIVE DATE

Pub. L. 105-206, title III, §3401(d), July 22, 1998, 112 Stat. 750, provided that: “The amendments made by this section [enacting this section and section 6330 of this title and amending section 7443A of this title] shall apply to collection actions initiated after the date which is 180 days after the date of the enactment of this Act [July 22, 1998].”

### PART II—LIENS

#### Sec.

- 6321. Lien for taxes.
- 6322. Period of lien.
- 6323. Validity and priority against certain persons.
- 6324. Special liens for estate and gift taxes.

Sec.	
6324A.	Special lien for estate tax deferred under section 6166.
6324B.	Special lien for additional estate tax attributable to farm, etc., valuation.
6325.	Release of lien or discharge of property.
6326.	Administrative appeal of liens.
6327.	Cross references.

#### AMENDMENTS

1998—Pub. L. 105-206, title III, §3401(a), July 22, 1998, 112 Stat. 747, added part heading.

1988—Pub. L. 100-647, title VI, §2338(c), Nov. 10, 1988, 102 Stat. 3743, added item 6326 and redesignated former item 6326 as 6327.

1981—Pub. L. 97-34, title IV, §422(e)(6)(D), Aug. 13, 1981, 95 Stat. 316, struck out “or 6166A” after “section 6166” in item 6324A.

1976—Pub. L. 94-455, title XX, §§2003(d)(2), 2004(f)(1), Oct. 4, 1976, 90 Stat. 1862, 1871, added items 6324A and 6324B.

1966—Pub. L. 89-719, title I, §§101(b)(1), 103(b), Nov. 2, 1966, 80 Stat. 1131, 1135, substituted “Validity and priority against certain persons” for “Validity against mortgagees, pledgees, purchasers, and judgment creditors” in item 6323, and struck out “partial” before “discharge” in item 6325.

#### § 6321. Lien for taxes

If any person liable to pay any tax neglects or refuses to pay the same after demand, the amount (including any interest, additional amount, addition to tax, or assessable penalty, together with any costs that may accrue in addition thereto) shall be a lien in favor of the United States upon all property and rights to property, whether real or personal, belonging to such person.

(Aug. 16, 1954, ch. 736, 68A Stat. 779.)

#### SHORT TITLE

Pub. L. 89-719, §1(a), Nov. 2, 1966, 80 Stat. 1125, provided that: “This Act [enacting sections 3505, 7425, 7426, and 7810 of this title, amending sections 545, 6322 to 6325, 6331, 6332, 6334, 6335, 6337 to 6339, 6342, 6343, 6502, 6503, 6532, 7402, 7403, 7421, 7424, 7505, 7506, and 7809 of this title, sections 1346, 1402, and 2410 of Title 28, Judiciary and Judicial Procedure, and section 270a of former Title 40, Public Buildings, Property, and Works, redesignating section 7425 as 7427 of this title, and enacting provisions set out as notes under sections 6323 and 7424 of this title, and under section 1346 of Title 28] may be cited as the ‘Federal Tax Lien Act of 1966’.”

#### § 6322. Period of lien

Unless another date is specifically fixed by law, the lien imposed by section 6321 shall arise at the time the assessment is made and shall continue until the liability for the amount so assessed (or a judgment against the taxpayer arising out of such liability) is satisfied or becomes unenforceable by reason of lapse of time.

(Aug. 16, 1954, ch. 736, 68A Stat. 779; Pub. L. 89-719, title I, §113(a), Nov. 2, 1966, 80 Stat. 1146.)

#### AMENDMENTS

1966—Pub. L. 89-719 inserted “(or a judgment against the taxpayer arising out of such liability)”.

#### EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-719 applicable after Nov. 2, 1966, regardless of when title or lien of United States arose or when lien or interest of another person was acquired, with certain exceptions, see section 114(a)-(c) of

Pub. L. 89-719, set out as a note under section 6323 of this title.

#### § 6323. Validity and priority against certain persons

##### (a) Purchasers, holders of security interests, mechanic’s lienors, and judgment lien creditors

The lien imposed by section 6321 shall not be valid as against any purchaser, holder of a security interest, mechanic’s lienor, or judgment lien creditor until notice thereof which meets the requirements of subsection (f) has been filed by the Secretary.

##### (b) Protection for certain interests even though notice filed

Even though notice of a lien imposed by section 6321 has been filed, such lien shall not be valid—

##### (1) Securities

With respect to a security (as defined in subsection (h)(4))—

(A) as against a purchaser of such security who at the time of purchase did not have actual notice or knowledge of the existence of such lien; and

(B) as against a holder of a security interest in such security who, at the time such interest came into existence, did not have actual notice or knowledge of the existence of such lien.

##### (2) Motor vehicles

With respect to a motor vehicle (as defined in subsection (h)(3)), as against a purchaser of such motor vehicle, if—

(A) at the time of the purchase such purchaser did not have actual notice or knowledge of the existence of such lien, and

(B) before the purchaser obtains such notice or knowledge, he has acquired possession of such motor vehicle and has not thereafter relinquished possession of such motor vehicle to the seller or his agent.

##### (3) Personal property purchased at retail

With respect to tangible personal property purchased at retail, as against a purchaser in the ordinary course of the seller’s trade or business, unless at the time of such purchase such purchaser intends such purchase to (or knows such purchase will) hinder, evade, or defeat the collection of any tax under this title.

##### (4) Personal property purchased in casual sale

With respect to household goods, personal effects, or other tangible personal property described in section 6334(a) purchased (not for resale) in a casual sale for less than \$1,000, as against the purchaser, but only if such purchaser does not have actual notice or knowledge (A) of the existence of such lien, or (B) that this sale is one of a series of sales.

##### (5) Personal property subject to possessory lien

With respect to tangible personal property subject to a lien under local law securing the reasonable price of the repair or improvement of such property, as against a holder of such a lien, if such holder is, and has been, continu-

ously in possession of such property from the time such lien arose.

**(6) Real property tax and special assessment liens**

With respect to real property, as against a holder of a lien upon such property, if such lien is entitled under local law to priority over security interests in such property which are prior in time, and such lien secures payment of—

(A) a tax of general application levied by any taxing authority based upon the value of such property;

(B) a special assessment imposed directly upon such property by any taxing authority, if such assessment is imposed for the purpose of defraying the cost of any public improvement; or

(C) charges for utilities or public services furnished to such property by the United States, a State or political subdivision thereof, or an instrumentality of any one or more of the foregoing.

**(7) Residential property subject to a mechanic's lien for certain repairs and improvements**

With respect to real property subject to a lien for repair or improvement of a personal residence (containing not more than four dwelling units) occupied by the owner of such residence, as against a mechanic's lienor, but only if the contract price on the contract with the owner is not more than \$5,000.

**(8) Attorneys' liens**

With respect to a judgment or other amount in settlement of a claim or of a cause of action, as against an attorney who, under local law, holds a lien upon or a contract enforceable against such judgment or amount, to the extent of his reasonable compensation for obtaining such judgment or procuring such settlement, except that this paragraph shall not apply to any judgment or amount in settlement of a claim or of a cause of action against the United States to the extent that the United States offsets such judgment or amount against any liability of the taxpayer to the United States.

**(9) Certain insurance contracts**

With respect to a life insurance, endowment, or annuity contract, as against the organization which is the insurer under such contract, at any time—

(A) before such organization had actual notice or knowledge of the existence of such lien;

(B) after such organization had such notice or knowledge, with respect to advances required to be made automatically to maintain such contract in force under an agreement entered into before such organization had such notice or knowledge; or

(C) after satisfaction of a levy pursuant to section 6332(b), unless and until the Secretary delivers to such organization a notice, executed after the date of such satisfaction, of the existence of such lien.

**(10) Deposit-secured loans**

With respect to a savings deposit, share, or other account with an institution described in

section 581 or 591, to the extent of any loan made by such institution without actual notice or knowledge of the existence of such lien, as against such institution, if such loan is secured by such account.

**(c) Protection for certain commercial transactions financing agreements, etc.**

**(1) In general**

To the extent provided in this subsection, even though notice of a lien imposed by section 6321 has been filed, such lien shall not be valid with respect to a security interest which came into existence after tax lien filing but which—

(A) is in qualified property covered by the terms of a written agreement entered into before tax lien filing and constituting—

(i) a commercial transactions financing agreement,

(ii) a real property construction or improvement financing agreement, or

(iii) an obligatory disbursement agreement, and

(B) is protected under local law against a judgment lien arising, as of the time of tax lien filing, out of an unsecured obligation.

**(2) Commercial transactions financing agreement**

For purposes of this subsection—

**(A) Definition**

The term “commercial transactions financing agreement” means an agreement (entered into by a person in the course of his trade or business)—

(i) to make loans to the taxpayer to be secured by commercial financing security acquired by the taxpayer in the ordinary course of his trade or business, or

(ii) to purchase commercial financing security (other than inventory) acquired by the taxpayer in the ordinary course of his trade or business;

but such an agreement shall be treated as coming within the term only to the extent that such loan or purchase is made before the 46th day after the date of tax lien filing or (if earlier) before the lender or purchaser had actual notice or knowledge of such tax lien filing.

**(B) Limitation on qualified property**

The term “qualified property”, when used with respect to a commercial transactions financing agreement, includes only commercial financing security acquired by the taxpayer before the 46th day after the date of tax lien filing.

**(C) Commercial financing security defined**

The term “commercial financing security” means (i) paper of a kind ordinarily arising in commercial transactions, (ii) accounts receivable, (iii) mortgages on real property, and (iv) inventory.

**(D) Purchaser treated as acquiring security interest**

A person who satisfies subparagraph (A) by reason of clause (ii) thereof shall be treated

as having acquired a security interest in commercial financing security

**(3) Real property construction or improvement financing agreement**

For purposes of this subsection—

**(A) Definition**

The term “real property construction or improvement financing agreement” means an agreement to make cash disbursements to finance—

- (i) the construction or improvement of real property,
- (ii) a contract to construct or improve real property, or
- (iii) the raising or harvesting of a farm crop or the raising of livestock or other animals.

For purposes of clause (iii), the furnishing of goods and services shall be treated as the disbursement of cash.

**(B) Limitation on qualified property**

The term “qualified property”, when used with respect to a real property construction or improvement financing agreement, includes only—

- (i) in the case of subparagraph (A)(i), the real property with respect to which the construction or improvement has been or is to be made,
- (ii) in the case of subparagraph (A)(ii), the proceeds of the contract described therein, and
- (iii) in the case of subparagraph (A)(iii), property subject to the lien imposed by section 6321 at the time of tax lien filing and the crop or the livestock or other animals referred to in subparagraph (A)(iii).

**(4) Obligatory disbursement agreement**

For purposes of this subsection—

**(A) Definition**

The term “obligatory disbursement agreement” means an agreement (entered into by a person in the course of his trade or business) to make disbursements, but such an agreement shall be treated as coming within the term only to the extent of disbursements which are required to be made by reason of the intervention of the rights of a person other than the taxpayer.

**(B) Limitation on qualified property**

The term “qualified property”, when used with respect to an obligatory disbursement agreement, means property subject to the lien imposed by section 6321 at the time of tax lien filing and (to the extent that the acquisition is directly traceable to the disbursements referred to in subparagraph (A)) property acquired by the taxpayer after tax lien filing.

**(C) Special rules for surety agreements**

Where the obligatory disbursement agreement is an agreement ensuring the performance of a contract between the taxpayer and another person—

- (i) the term “qualified property” shall be treated as also including the proceeds of

the contract the performance of which was ensured, and

- (ii) if the contract the performance of which was ensured was a contract to construct or improve real property, to produce goods, or to furnish services, the term “qualified property” shall be treated as also including any tangible personal property used by the taxpayer in the performance of such ensured contract.

**(d) 45-day period for making disbursements**

Even though notice of a lien imposed by section 6321 has been filed, such lien shall not be valid with respect to a security interest which came into existence after tax lien filing by reason of disbursements made before the 46th day after the date of tax lien filing, or (if earlier) before the person making such disbursements had actual notice or knowledge of tax lien filing, but only if such security interest—

- (1) is in property (A) subject, at the time of tax lien filing, to the lien imposed by section 6321, and (B) covered by the terms of a written agreement entered into before tax lien filing, and
- (2) is protected under local law against a judgment lien arising, as of the time of tax lien filing, out of an unsecured obligation.

**(e) Priority of interest and expenses**

If the lien imposed by section 6321 is not valid as against a lien or security interest, the priority of such lien or security interest shall extend to—

- (1) any interest or carrying charges upon the obligation secured,
- (2) the reasonable charges and expenses of an indenture trustee or agent holding the security interest for the benefit of the holder of the security interest,
- (3) the reasonable expenses, including reasonable compensation for attorneys, actually incurred in collecting or enforcing the obligation secured,
- (4) the reasonable costs of insuring, preserving, or repairing the property to which the lien or security interest relates,
- (5) the reasonable costs of insuring payment of the obligation secured, and
- (6) amounts paid to satisfy any lien on the property to which the lien or security interest relates, but only if the lien so satisfied is entitled to priority over the lien imposed by section 6321,

to the extent that, under local law, any such item has the same priority as the lien or security interest to which it relates.

**(f) Place for filing notice; form**

**(1) Place for filing**

The notice referred to in subsection (a) shall be filed—

**(A) Under State laws**

**(i) Real property**

In the case of real property, in one office within the State (or the county, or other governmental subdivision), as designated by the laws of such State, in which the property subject to the lien is situated; and

**(ii) Personal property**

In the case of personal property, whether tangible or intangible, in one office within the State (or the county, or other governmental subdivision), as designated by the laws of such State, in which the property subject to the lien is situated, except that State law merely conforming to or reenacting Federal law establishing a national filing system does not constitute a second office for filing as designated by the laws of such State; or

**(B) With clerk of district court**

In the office of the clerk of the United States district court for the judicial district in which the property subject to the lien is situated, whenever the State has not by law designated one office which meets the requirements of subparagraph (A); or

**(C) With Recorder of Deeds of the District of Columbia**

In the office of the Recorder of Deeds of the District of Columbia, if the property subject to the lien is situated in the District of Columbia.

**(2) Situs of property subject to lien**

For purposes of paragraphs (1) and (4), property shall be deemed to be situated—

**(A) Real property**

In the case of real property, at its physical location; or

**(B) Personal property**

In the case of personal property, whether tangible or intangible, at the residence of the taxpayer at the time the notice of lien is filed.

For purposes of paragraph (2)(B), the residence of a corporation or partnership shall be deemed to be the place at which the principal executive office of the business is located, and the residence of a taxpayer whose residence is without the United States shall be deemed to be in the District of Columbia.

**(3) Form**

The form and content of the notice referred to in subsection (a) shall be prescribed by the Secretary. Such notice shall be valid notwithstanding any other provision of law regarding the form or content of a notice of lien.

**(4) Indexing required with respect to certain real property**

In the case of real property, if—

(A) under the laws of the State in which the real property is located, a deed is not valid as against a purchaser of the property who (at the time of purchase) does not have actual notice or knowledge of the existence of such deed unless the fact of filing of such deed has been entered and recorded in a public index at the place of filing in such a manner that a reasonable inspection of the index will reveal the existence of the deed, and

(B) there is maintained (at the applicable office under paragraph (1)) an adequate system for the public indexing of Federal tax liens,

then the notice of lien referred to in subsection (a) shall not be treated as meeting the filing requirements under paragraph (1) unless the fact of filing is entered and recorded in the index referred to in subparagraph (B) in such a manner that a reasonable inspection of the index will reveal the existence of the lien.

**(5) National filing systems**

The filing of a notice of lien shall be governed solely by this title and shall not be subject to any other Federal law establishing a place or places for the filing of liens or encumbrances under a national filing system.

**(g) Refiling of notice**

For purposes of this section—

**(1) General rule**

Unless notice of lien is refiled in the manner prescribed in paragraph (2) during the required refiling period, such notice of lien shall be treated as filed on the date on which it is filed (in accordance with subsection (f)) after the expiration of such refiling period.

**(2) Place for filing**

A notice of lien refiled during the required refiling period shall be effective only—

(A) if—

(i) such notice of lien is refiled in the office in which the prior notice of lien was filed, and

(ii) in the case of real property, the fact of refiling is entered and recorded in an index to the extent required by subsection (f)(4); and

(B) in any case in which, 90 days or more prior to the date of a refiling of notice of lien under subparagraph (A), the Secretary received written information (in the manner prescribed in regulations issued by the Secretary) concerning a change in the taxpayer's residence, if a notice of such lien is also filed in accordance with subsection (f) in the State in which such residence is located.

**(3) Required refiling period**

In the case of any notice of lien, the term “required refiling period” means—

(A) the one-year period ending 30 days after the expiration of 10 years after the date of the assessment of the tax, and

(B) the one-year period ending with the expiration of 10 years after the close of the preceding required refiling period for such notice of lien.

**(4) Transitional rule**

Notwithstanding paragraph (3), if the assessment of the tax was made before January 1, 1962, the first required refiling period shall be the calendar year 1967.

**(h) Definitions**

For purposes of this section and section 6324—

**(1) Security interest**

The term “security interest” means any interest in property acquired by contract for the purpose of securing payment or performance of an obligation or indemnifying against loss

or liability. A security interest exists at any time (A) if, at such time, the property is in existence and the interest has become protected under local law against a subsequent judgment lien arising out of an unsecured obligation, and (B) to the extent that, at such time, the holder has parted with money or money's worth.

**(2) Mechanic's lienor**

The term "mechanic's lienor" means any person who under local law has a lien on real property (or on the proceeds of a contract relating to real property) for services, labor, or materials furnished in connection with the construction or improvement of such property. For purposes of the preceding sentence, a person has a lien on the earliest date such lien becomes valid under local law against subsequent purchasers without actual notice, but not before he begins to furnish the services, labor, or materials.

**(3) Motor vehicle**

The term "motor vehicle" means a self-propelled vehicle which is registered for highway use under the laws of any State or foreign country.

**(4) Security**

The term "security" means any bond, debenture, note, or certificate or other evidence of indebtedness, issued by a corporation or a government or political subdivision thereof, with interest coupons or in registered form, share of stock, voting trust certificate, or any certificate of interest or participation in, certificate of deposit or receipt for, temporary or interim certificate for, or warrant or right to subscribe to or purchase, any of the foregoing; negotiable instrument; or money.

**(5) Tax lien filing**

The term "tax lien filing" means the filing of notice (referred to in subsection (a)) of the lien imposed by section 6321.

**(6) Purchaser**

The term "purchaser" means a person who, for adequate and full consideration in money or money's worth, acquires an interest (other than a lien or security interest) in property which is valid under local law against subsequent purchasers without actual notice. In applying the preceding sentence for purposes of subsection (a) of this section, and for purposes of section 6324—

- (A) a lease of property,
- (B) a written executory contract to purchase or lease property,
- (C) an option to purchase or lease property or any interest therein, or
- (D) an option to renew or extend a lease of property,

which is not a lien or security interest shall be treated as an interest in property.

**(i) Special rules**

**(1) Actual notice or knowledge**

For purposes of this subchapter, an organization shall be deemed for purposes of a particular transaction to have actual notice or

knowledge of any fact from the time such fact is brought to the attention of the individual conducting such transaction, and in any event from the time such fact would have been brought to such individual's attention if the organization had exercised due diligence. An organization exercises due diligence if it maintains reasonable routines for communicating significant information to the person conducting the transaction and there is reasonable compliance with the routine. Due diligence does not require an individual acting for the organization to communicate information unless such communication is part of his regular duties or unless he has reason to know of the transaction and that the transaction would be materially affected by the information.

**(2) Subrogation**

Where, under local law, one person is subrogated to the rights of another with respect to a lien or interest, such person shall be subrogated to such rights for purposes of any lien imposed by section 6321 or 6324.

**(3) Forfeitures**

For purposes of this subchapter, a forfeiture under local law of property seized by a law enforcement agency of a State, county, or other local governmental subdivision shall relate back to the time of seizure, except that this paragraph shall not apply to the extent that under local law the holder of an intervening claim or interest would have priority over the interest of the State, county, or other local governmental subdivision in the property.

**(4) Cost-of-living adjustment**

In the case of notices of liens imposed by section 6321 which are filed in any calendar year after 1998, each of the dollar amounts under paragraph (4) or (7) of subsection (b) shall be increased by an amount equal to—

- (A) such dollar amount, multiplied by
- (B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year, determined by substituting "calendar year 1996" for "calendar year 1992" in subparagraph (B) thereof.

If any amount as adjusted under the preceding sentence is not a multiple of \$10, such amount shall be rounded to the nearest multiple of \$10.

**(j) Withdrawal of notice in certain circumstances**

**(1) In general**

The Secretary may withdraw a notice of a lien filed under this section and this chapter shall be applied as if the withdrawn notice had not been filed, if the Secretary determines that—

- (A) the filing of such notice was premature or otherwise not in accordance with administrative procedures of the Secretary,
- (B) the taxpayer has entered into an agreement under section 6159 to satisfy the tax liability for which the lien was imposed by means of installment payments, unless such agreement provides otherwise,
- (C) the withdrawal of such notice will facilitate the collection of the tax liability, or
- (D) with the consent of the taxpayer or the National Taxpayer Advocate, the withdrawal

of such notice would be in the best interests of the taxpayer (as determined by the National Taxpayer Advocate) and the United States.

Any such withdrawal shall be made by filing notice at the same office as the withdrawn notice. A copy of such notice of withdrawal shall be provided to the taxpayer.

**(2) Notice to credit agencies, etc.**

Upon written request by the taxpayer with respect to whom a notice of a lien was withdrawn under paragraph (1), the Secretary shall promptly make reasonable efforts to notify credit reporting agencies, and any financial institution or creditor whose name and address is specified in such request, of the withdrawal of such notice. Any such request shall be in such form as the Secretary may prescribe.

(Aug. 16, 1954, ch. 736, 68A Stat. 779; Pub. L. 88-272, title II, §236(a), (c)(1), Feb. 26, 1964, 78 Stat. 127, 128; Pub. L. 89-493, §17(a), July 5, 1966, 80 Stat. 266; Pub. L. 89-719, title I, §101(a), Nov. 2, 1966, 80 Stat. 1125; Pub. L. 94-455, title XII, §1202(h)(2), title XIX, §1906(b)(13)(A), title XX, §2008(c), Oct. 4, 1976, 90 Stat. 1688, 1834, 1892; Pub. L. 95-600, title VII, §702(q)(1), (2), Nov. 6, 1978, 92 Stat. 2937, 2938; Pub. L. 99-514, title XV, §1569(a), Oct. 22, 1986, 100 Stat. 2764; Pub. L. 100-647, title I, §1015(s)(1), Nov. 10, 1988, 102 Stat. 3573; Pub. L. 101-508, title XI, §§11317(b), 11704(a)(26), Nov. 5, 1990, 104 Stat. 1388-458, 1388-519; Pub. L. 104-168, title V, §501(a), July 30, 1996, 110 Stat. 1460; Pub. L. 105-206, title I, §1102(d)(1)(A), title III, §3435(a), (b), July 22, 1998, 112 Stat. 704, 760, 761.)

**INFLATION ADJUSTED ITEMS FOR CERTAIN YEARS**

*For inflation adjustment of certain items in this section, see Revenue Procedures listed in a table under section 1 of this title.*

**AMENDMENTS**

1998—Subsec. (b)(4). Pub. L. 105-206, §3435(a)(1)(A), substituted “\$1,000” for “\$250”.

Subsec. (b)(7). Pub. L. 105-206, §3435(a)(1)(B), substituted “\$5,000” for “\$1,000”.

Subsec. (b)(10). Pub. L. 105-206, §3435(b), in heading substituted “Deposit-secured loans” for “Passbook loans”, and in text struck out “, evidenced by a passbook,” after “other account” and substituted period at end for “and if such institution has been continuously in possession of such passbook from the time the loan is made.”

Subsec. (i)(4). Pub. L. 105-206, §3435(a)(2), added par. (4).

Subsec. (j)(1)(D). Pub. L. 105-206, §1102(d)(1)(A), substituted “National Taxpayer Advocate” for “Taxpayer Advocate” in two places.

1996—Subsec. (j). Pub. L. 104-168 added subsec. (j).

1990—Subsec. (a). Pub. L. 101-508, §11704(a)(26), substituted “Purchasers” for “Purchases” in heading.

Subsec. (g)(3). Pub. L. 101-508, §11317(b), substituted “10 years” for “6 years” wherever appearing.

1988—Subsec. (f)(1)(A)(ii). Pub. L. 100-647, §1015(s)(1)(A), inserted exception that State law merely conforming to or reenacting Federal law establishing a national filing system does not constitute a second office for filing as designated by the laws of such State.

Subsec. (f)(5). Pub. L. 100-647, §1015(s)(1)(B), added par. (5).

1986—Subsec. (i)(3). Pub. L. 99-514 added par. (3).

1978—Subsec. (f)(4). Pub. L. 95-600, §702(q)(1), in heading substituted “Indexing required with respect to cer-

tain real property” for “Index” and in text inserted provisions relating to the validity of a deed, under the laws of the State in which the real property is located, as against a purchaser who does not have actual notice or knowledge of the existence of such deed and provisions relating to the maintenance of an adequate system for the public indexing of Federal tax liens.

Subsec. (g)(2)(A). Pub. L. 95-600, §702(q)(2), inserted reference to real property.

1976—Subsecs. (a), (b). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary” wherever appearing.

Subsec. (f)(2). Pub. L. 94-455, §2008(c)(1)(B), inserted introductory reference to par. (4).

Subsec. (f)(3). Pub. L. 94-455, §1906(b)(13)(A), struck out “or his delegate” after “Secretary”.

Subsec. (f)(4). Pub. L. 94-455, §2008(c)(1)(A), added par. (4).

Subsec. (g)(2)(A), (B). Pub. L. 94-455, §§1906(b)(13)(A), 2008(c)(2), required the fact of refiling be entered and recorded in an index in accordance with subsec. (f)(4), and struck out “or his delegate” after “Secretary” wherever appearing.

Subsec. (i)(3). Pub. L. 94-455, §1202(h)(2), struck out par. (3) which related to a special rule respecting disclosure of amount of outstanding lien.

1966—Subsec. (a). Pub. L. 89-719 redesignated as subsec. (a) that part of former subsec. (a) which preceded pars. (1) to (3) thereof, and, in subsec. (a) as so redesignated, substituted holder of a security interest, mechanic’s lienor, and judgment lien creditor for mortgagee, pledgee, and judgment creditor, struck out reference to an exception provided in subsecs. (c) and (d), and inserted reference to requirements of subsec. (f).

Subsec. (a)(3). Pub. L. 89-493 substituted the Recorder of Deeds of the District of Columbia for the clerk of the United States District Court for the District of Columbia.

Subsec. (b)(1). Pub. L. 89-719 redesignated provisions of subsec. (c)(1) as subsec. (b)(1) and substituted “holder of a security interest” for “mortgagee and pledgee” and purchaser of such security interest for purchaser of such security for any adequate and full consideration in money or money’s worth.

Subsec. (b)(2). Pub. L. 89-719 redesignated provisions of subsec. (d)(1) as subsec. (b)(2) and substituted purchaser of such motor vehicle for purchaser of such motor vehicle for an adequate and full consideration in money or money’s worth and substituted actual notice or knowledge for notice or knowledge.

Subsec. (b)(3) to (10). Pub. L. 89-719 added pars. (3) to (10).

Subsecs. (c) to (e). Pub. L. 89-719 added subsecs. (c) to (e).

Subsec. (f)(1). Pub. L. 89-719 redesignated provisions of former subsec. (a)(1) to (3) as subsec. (f)(1).

Subsec. (f)(2). Pub. L. 89-719 added par. (2).

Subsec. (f)(3). Pub. L. 89-719 redesignated provisions of former subsec. (b) as subsec. (f)(3) and substituted provisions that the form and content of the notice be prescribed by the Secretary or his delegate for provisions limiting the effectiveness of the notice to situations in which the notice is in such form as would be valid if filed with the clerk of the United States district court when state or territory law fails to designate an office for the filing of notice.

Subsec. (g). Pub. L. 89-719 added subsec. (g).

Subsec. (h)(1), (2). Pub. L. 89-719 added pars. (1) and (2).

Subsec. (h)(3). Pub. L. 89-719 redesignated provisions of former subsec. (d)(2) as subsec. (h)(3).

Subsec. (h)(4). Pub. L. 89-719 redesignated provisions of former subsec. (c)(2) as subsec. (h)(4).

Subsec. (h)(5), (6). Pub. L. 89-719 added pars. (5), (6).

Subsec. (i)(1), (2). Pub. L. 89-719 added pars. (1), (2).

Subsec. (i)(3). Pub. L. 89-719 redesignated provisions of former subsec. (e) as subsec. (i)(3) and substituted “regulations” for “rules and relations”.

1964—Subsec. (a). Pub. L. 88-272, §236(c)(1), substituted “subsections (c) and (d)” for “subsection (c)”.

Subsecs. (d), (e). Pub. L. 88-272, § 236(a), added subsec. (d) and redesignated former subsec. (d) as (e).

#### EFFECTIVE DATE OF 1998 AMENDMENT

Amendment by section 1102(d)(1)(A) of Pub. L. 105-206 effective July 22, 1998, see section 1102(f)(1) of Pub. L. 105-206, set out as a note under section 7803 of this title.

Pub. L. 105-206, title III, § 3435(c), July 22, 1998, 112 Stat. 761, provided that: “The amendments made by this section [amending this section] shall take effect on the date of the enactment of this Act [July 22, 1998].”

#### EFFECTIVE DATE OF 1996 AMENDMENT

Section 501(d) of Pub. L. 104-168 provided that: “The amendments made by this section [amending this section and section 6343 of this title] shall take effect on the date of the enactment of this Act [July 30, 1996].”

#### EFFECTIVE DATE OF 1990 AMENDMENT

Section 11317(c) of Pub. L. 101-508 provided that: “The amendments made by this section [amending this section and section 6502 of this title] shall apply to—

“(1) taxes assessed after the date of the enactment of this Act [Nov. 5, 1990], and

“(2) taxes assessed on or before such date if the period specified in section 6502 of the Internal Revenue Code of 1986 (determined without regard to the amendments made by subsection (a) [amending section 6502 of this title]) for collection of such taxes has not expired as of such date.”

#### EFFECTIVE DATE OF 1988 AMENDMENT

Section 1015(s)(2) of Pub. L. 100-647 provided that: “The amendments made by this subsection [amending this section] shall take effect on the date of the enactment of this Act [Nov. 10, 1988].”

#### EFFECTIVE DATE OF 1986 AMENDMENT

Section 1569(b) of Pub. L. 99-514 provided that: “The amendment made by this section [amending this section] shall take effect on the date of the enactment of this Act [Oct. 22, 1986].”

#### EFFECTIVE DATE OF 1978 AMENDMENT

Section 702(q)(3) of Pub. L. 95-600, as amended by Pub. L. 99-514, § 2, Oct. 22, 1986, 100 Stat. 2095, provided that:

“(A) The amendments made by this subsection [amending this section] shall apply with respect to liens, other security interests, and other interests in real property acquired after the date of the enactment of this Act [Nov. 6, 1978].

“(B) If, after the date of the enactment of this Act, there is a change in the application (or nonapplication) of section 6323(f)(4) of the Internal Revenue Code of 1986 [formerly I.R.C. 1954] (as amended by paragraph (1)) with respect to any filing jurisdiction, such change shall apply only with respect to liens, other security interests, and other interests in real property acquired after the date of such change.”

#### EFFECTIVE DATE OF 1976 AMENDMENT

Amendment by section 1202(h)(2) of Pub. L. 94-455 effective Jan. 1, 1977, see section 1202(i) of Pub. L. 94-455, set out as a note under section 6103 of this title.

Section 2008(d)(3) of Pub. L. 94-455 provided that: “The amendment made by subsection (c) [amending this section] shall take effect—

“(A) in the case of liens filed before the date of the enactment of this Act [Oct. 4, 1976], on the 270th day after such date of enactment, or

“(B) in the case of liens filed on or after the date of enactment of this Act [Oct. 4, 1976], on the 120th day after such date of enactment.”

#### EFFECTIVE DATE OF 1966 AMENDMENTS

Section 114(a)–(c) of title I of Pub. L. 89-719 provided that:

“(a) GENERAL RULE.—Except as otherwise provided, the amendments made by this title [enacting sections

3505, 7425, 7426, and 7810 of this title, amending this section, sections 545, 6322, 6324, 6325, 6331, 6332, 6334, 6335, 6337, 6338, 6339, 6342, 6343, 6502, 6503, 6532, 7402, 7403, 7421, 7424, 7505, 7506, and 7809 of this title, and section 270a of former Title 40, Public Buildings, Property, and Works, redesignating former section 7425 as 7427 of this title, and enacting provisions set out as notes under this section and section 7424 of this title] shall apply after the date of enactment of this Act [Nov. 2, 1966], regardless of when a lien or a title of the United States arose or when the lien or interest of any other person was acquired.

“(b) EXCEPTIONS.—The amendments made by this title shall not apply in any case—

“(1) in which a lien or a title derived from enforcement of a lien held by the United States has been enforced by a civil action or suit which has become final by judgment, sale, or agreement before the date of enactment of this Act; or

“(2) in which such amendments would—

“(A) impair a priority enjoyed by any person (other than the United States) holding a lien or interest prior to the date of enactment of this Act;

“(B) operate to increase the liability of any such person; or

“(C) shorten the time for bringing suit with respect to transactions occurring before the date of enactment of this Act.

“(c) LIABILITY FOR WITHHELD TAXES.—

“(1) The amendments made by section 105(a) (relating to effect on third parties) [adding section 3505 of this title] shall apply only with respect to wages paid on or after January 1, 1967.

“(2) The amendments made by section 105(b) (relating to performance bonds of contractors for public buildings or works) [amending section 270a of former Title 40] shall apply to contracts entered into pursuant to invitations for bids issued after June 30, 1967.”

Section 21 of Pub. L. 89-493 provided that: “This Act [amending this section] shall take effect on the first day of the first month which is at least ninety days after the date of approval of this Act [July 5, 1966].”

#### EFFECTIVE DATE OF 1964 AMENDMENT

Section 236(d) of Pub. L. 88-272 provided that: “The amendments made by this section [amending this section and section 6324 of this title] shall apply only with respect to purchases made after the date of the enactment of this Act [Feb. 26, 1964.]”

### § 6324. Special liens for estate and gift taxes

#### (a) Liens for estate tax

Except as otherwise provided in subsection (c)—

##### (1) Upon gross estate

Unless the estate tax imposed by chapter 11 is sooner paid in full, or becomes unenforceable by reason of lapse of time, it shall be a lien upon the gross estate of the decedent for 10 years from the date of death, except that such part of the gross estate as is used for the payment of charges against the estate and expenses of its administration, allowed by any court having jurisdiction thereof, shall be divested of such lien.

##### (2) Liability of transferees and others

If the estate tax imposed by chapter 11 is not paid when due, then the spouse, transferee, trustee (except the trustee of an employees' trust which meets the requirements of section 401(a)), surviving tenant, person in possession of the property by reason of the exercise, non-exercise, or release of a power of appointment, or beneficiary, who receives, or has on the



date of the decedent's death, property included in the gross estate under sections 2034 to 2042, inclusive, to the extent of the value, at the time of the decedent's death, of such property, shall be personally liable for such tax. Any part of such property transferred by (or transferred by a transferee of) such spouse, transferee, trustee, surviving tenant, person in possession, or beneficiary, to a purchaser or holder of a security interest shall be divested of the lien provided in paragraph (1) and a like lien shall then attach to all the property of such spouse, transferee, trustee, surviving tenant, person in possession, or beneficiary, or transferee of any such person, except any part transferred to a purchaser or a holder of a security interest.

### (3) Continuance after discharge of fiduciary

The provisions of section 2204 (relating to discharge of fiduciary from personal liability) shall not operate as a release of any part of the gross estate from the lien for any deficiency that may thereafter be determined to be due, unless such part of the gross estate (or any interest therein) has been transferred to a purchaser or a holder of a security interest, in which case such part (or such interest) shall not be subject to a lien or to any claim or demand for any such deficiency, but the lien shall attach to the consideration received from such purchaser or holder of a security interest, by the heirs, legatees, devisees, or distributees.

### (b) Lien for gift tax

Except as otherwise provided in subsection (c), unless the gift tax imposed by chapter 12 is sooner paid in full or becomes unenforceable by reason of lapse of time, such tax shall be a lien upon all gifts made during the period for which the return was filed, for 10 years from the date the gifts are made. If the tax is not paid when due, the donee of any gift shall be personally liable for such tax to the extent of the value of such gift. Any part of the property comprised in the gift transferred by the donee (or by a transferee of the donee) to a purchaser or holder of a security interest shall be divested of the lien imposed by this subsection and such lien, to the extent of the value of such gift, shall attach to all the property (including after-acquired property) of the donee (or the transferee) except any part transferred to a purchaser or holder of a security interest.

### (c) Exceptions

(1) The lien imposed by subsection (a) or (b) shall not be valid as against a mechanic's lienor and, subject to the conditions provided by section 6323(b) (relating to protection for certain interests even though notice filed), shall not be valid with respect to any lien or interest described in section 6323(b).

(2) If a lien imposed by subsection (a) or (b) is not valid as against a lien or security interest, the priority of such lien or security interest shall extend to any item described in section 6323(e) (relating to priority of interest and expenses) to the extent that, under local law, such item has the same priority as the lien or security interest to which it relates.

(Aug. 16, 1954, ch. 736, 68A Stat. 780; Pub. L. 88-272, title II, § 236(b), (c)(2), Feb. 26, 1964, 78 Stat. 127, 128; Pub. L. 89-719, title I, § 102, Nov. 2, 1966, 80 Stat. 1132; Pub. L. 91-614, title I, §§ 101(d)(2), 102(d)(7), Dec. 31, 1970, 84 Stat. 1837, 1842.)

#### AMENDMENTS

1970—Subsec. (a)(3). Pub. L. 91-614, § 101(d)(2), substituted "fiduciary" for "executor" in heading and text.

Subsec. (b). Pub. L. 91-614, § 102(d)(7), substituted "period for which the return was filed" for "calendar year".

1966—Subsec. (a)(1). Pub. L. 89-719 inserted ", or becomes unenforceable by reason of lapse of time," after "sooner paid in full" and substituted "10 years from the date of death" for "10 years upon the gross estate of the decedent".

Subsec. (a)(2). Pub. L. 89-719 substituted "person in possession, or beneficiary, to a purchaser or holder of a security interest" for "person in possession of property by reason of the exercise, nonexercise, or release of a power of appointment, or beneficiary, to a bona fide purchaser, mortgagee, or pledgee, for an adequate and full consideration in money and money's worth" and "except any part transferred to a purchaser or a holder of a security interest" for "except any part transferred to a bona fide purchaser, mortgagee, or pledgee for an adequate and full consideration in money or money's worth".

Subsec. (a)(3). Pub. L. 89-719 substituted "purchaser or a holder of a security interest" for "bona fide purchaser, mortgagee, or pledgee for an adequate and full consideration in money or money's worth" and "purchaser or holder of a security interest" for "purchaser, mortgagee, or pledgee".

Subsec. (b). Pub. L. 89-719 substituted reference to exception provided in subsec. (c) for reference to exceptions provided in subsecs. (c) and (d), inserted reference to tax becoming unenforceable by reason of lapse of time, and substituted "purchaser or holder of a security interest" for "bona-fide purchaser, mortgagee, or pledgee, for an adequate and full consideration in money or money's worth".

Subsec. (c). Pub. L. 89-719 redesignated as par. (1) provisions formerly constituting subsec. (c), substituted "valid as against a mechanic's lienor and, subject to the conditions provided by section 6323(b) (relating to protection for certain interests even though notice filed), shall not be valid with respect to any lien or interest described in section 6323(b)" for "valid with respect to a security, as defined in section 6323(c)(2), as against any mortgagee, pledgee, or purchaser of any such security, for an adequate and full consideration in money or money's worth, if at the time of such mortgage, pledge, or purchase such mortgagee, pledgee, or purchaser is without notice or knowledge of the existence of such lien", and added par. (2).

Subsec. (d). Pub. L. 89-719 struck out subsec. (d) dealing with exceptions in the case of motor vehicles. See subsec. (c) above and reference therein to section 6323(b).

1964—Subsecs. (a), (b). Pub. L. 88-272, § 236(c)(2), inserted "and subsection (d) (relating to purchases of motor vehicles)".

Subsec. (d). Pub. L. 88-272, § 236(b), added subsec. (d).

#### EFFECTIVE DATE OF 1970 AMENDMENT

Amendment by section 101(d)(2) of Pub. L. 91-614 applicable with respect to decedents dying after Dec. 31, 1970, see section 101(j) of Pub. L. 91-614, set out as a note under section 2032 of this title.

Amendment by section 102(d)(7) of Pub. L. 91-614 applicable with respect to gifts made after Dec. 31, 1970, see section 102(e) of Pub. L. 91-614, set out as a note under section 2501 of this title.

#### EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-719 applicable after Nov. 2, 1966, regardless of when title or lien of United States

arose or when lien or interest of another person was acquired, with certain exceptions, see section 114(a)–(c) of Pub. L. 89-719, set out as a note under section 6323 of this title.

EFFECTIVE DATE OF 1964 AMENDMENT

Amendment by Pub. L. 88-272 applicable to purchases made after Feb. 26, 1964, see section 236(d) of Pub. L. 88-272, set out as a note under section 6323 of this title.

**§ 6324A. Special lien for estate tax deferred under section 6166**

**(a) General rule**

In the case of any estate with respect to which an election has been made under section 6166, if the executor makes an election under this section (at such time and in such manner as the Secretary shall by regulations prescribe) and files the agreement referred to in subsection (c), the deferred amount (plus any interest, additional amount, addition to tax, assessable penalty, and costs attributable to the deferred amount) shall be a lien in favor of the United States on the section 6166 lien property.

**(b) Section 6166 lien property**

**(1) In general**

For purposes of this section, the term “section 6166 lien property” means interests in real and other property to the extent such interests—

(A) can be expected to survive the deferral period, and

(B) are designated in the agreement referred to in subsection (c).

**(2) Maximum value of required property**

The maximum value of the property which the Secretary may require as section 6166 lien property with respect to any estate shall be a value which is not greater than the sum of—

(A) the deferred amount, and

(B) the required interest amount.

For purposes of the preceding sentence, the value of any property shall be determined as of the date prescribed by section 6151(a) for payment of the tax imposed by chapter 11 and shall be determined by taking into account any encumbrance such as a lien under section 6324B.

**(3) Partial substitution of bond for lien**

If the value required as section 6166 lien property pursuant to paragraph (2) exceeds the value of the interests in property covered by the agreement referred to in subsection (c), the Secretary may accept bond in an amount equal to such excess conditioned on the payment of the amount extended in accordance with the terms of such extension.

**(c) Agreement**

The agreement referred to in this subsection is a written agreement signed by each person in being who has an interest (whether or not in possession) in any property designated in such agreement—

(1) consenting to the creation of the lien under this section with respect to such property, and

(2) designating a responsible person who shall be the agent for the beneficiaries of the

estate and for the persons who have consented to the creation of the lien in dealings with the Secretary on matters arising under section 6166 or this section.

**(d) Special rules**

**(1) Requirement that lien be filed**

The lien imposed by this section shall not be valid as against any purchaser, holder of a security interest, mechanic's lien, or judgment lien creditor until notice thereof which meets the requirements of section 6323(f) has been filed by the Secretary. Such notice shall not be required to be refiled.

**(2) Period of lien**

The lien imposed by this section shall arise at the time the executor is discharged from liability under section 2204 (or, if earlier, at the time notice is filed pursuant to paragraph (1)) and shall continue until the liability for the deferred amount is satisfied or becomes unenforceable by reason of lapse of time.

**(3) Priorities**

Even though notice of a lien imposed by this section has been filed as provided in paragraph (1), such lien shall not be valid—

**(A) Real property tax and special assessment liens**

To the extent provided in section 6323(b)(6).

**(B) Real property subject to a mechanic's lien for repairs and improvement**

In the case of any real property subject to a lien for repair or improvement, as against a mechanic's lienor.

**(C) Real property construction or improvement financing agreement**

As against any security interest set forth in paragraph (3) of section 6323(c) (whether such security interest came into existence before or after tax lien filing).

Subparagraphs (B) and (C) shall not apply to any security interest which came into existence after the date on which the Secretary filed notice (in a manner similar to notice filed under section 6323(f)) that payment of the deferred amount has been accelerated under section 6166(g).

**(4) Lien to be in lieu of section 6324 lien**

If there is a lien under this section on any property with respect to any estate, there shall not be any lien under section 6324 on such property with respect to the same estate.

**(5) Additional lien property required in certain cases**

If at any time the value of the property covered by the agreement is less than the unpaid portion of the deferred amount and the required interest amount, the Secretary may require the addition of property to the agreement (but he may not require under this paragraph that the value of the property covered by the agreement exceed such unpaid portion). If property having the required value is not added to the property covered by the agreement (or if other security equal to the re-

quired value is not furnished) within 90 days after notice and demand therefor by the Secretary, the failure to comply with the preceding sentence shall be treated as an act accelerating payment of the installments under section 6166(g).

**(6) Lien to be in lieu of bond**

The Secretary may not require under section 6165 the furnishing of any bond for the payment of any tax to which an agreement which meets the requirements of subsection (c) applies.

**(e) Definitions**

For purposes of this section—

**(1) Deferred amount**

The term “deferred amount” means the aggregate amount deferred under section 6166 (determined as of the date prescribed by section 6151(a) for payment of the tax imposed by chapter 11).

**(2) Required interest amount**

The term “required interest amount” means the aggregate amount of interest which will be payable over the first 4 years of the deferral period with respect to the deferred amount (determined as of the date prescribed by section 6151(a) for the payment of the tax imposed by chapter 11).

**(3) Deferral period**

The term “deferral period” means the period for which the payment of tax is deferred pursuant to the election under section 6166.

**(4) Application of definitions in case of deficiencies**

In the case of a deficiency, a separate deferred amount, required interest amount, and deferral period shall be determined as of the due date of the first installment after the deficiency is prorated to installments under section 6166.

(Added Pub. L. 94-455, title XX, §2004(d)(1), Oct. 4, 1976, 90 Stat. 1868; amended Pub. L. 95-600, title VII, §702(e)(1), Nov. 6, 1978, 92 Stat. 2929; Pub. L. 97-34, title IV, §422(e)(6)(A)–(C), Aug. 13, 1981, 95 Stat. 316.)

**AMENDMENTS**

1981—Pub. L. 97-34, §422(e)(6)(C), struck out “or 6166A” after “section 6166” in section catchline.

Subsecs. (a), (c)(2). Pub. L. 97-34, §422(e)(6)(A), struck out “or 6166A” after “section 6166”.

Subsec. (d)(3), (5). Pub. L. 97-34, §422(e)(6)(B), struck out “or 6166A(h)” after “section 6166(g)”.

Subsec. (e)(1), (3), (4). Pub. L. 97-34, §422(e)(6)(A), struck out “or 6166A” after “section 6166”.

1978—Subsec. (b)(2)(B). Pub. L. 95-600, §702(e)(1)(B), substituted “required interest amount” for “aggregate interest amount”.

Subsec. (d)(5). Pub. L. 95-600, §702(e)(1)(C), substituted “required interest amount” for “aggregate interest amount”.

Subsec. (e)(2). Pub. L. 95-600, §702(e)(1)(A), substituted “Required interest amount” for “Aggregate interest amount” in heading and in text “required interest amount”, “over the first 4 years of the deferral period” and “for the payment” for “aggregate interest amount”, “over the deferral period” and “for payment”, respectively.

Subsec. (e)(4). Pub. L. 95-600, §702(e)(1)(D), substituted “required interest amount” for “aggregate interest amount”.

**EFFECTIVE DATE OF 1981 AMENDMENT**

Amendment by Pub. L. 97-34 applicable to estates of decedents dying after Dec. 31, 1981, see section 422(f)(1) of Pub. L. 97-34, set out as a note under section 6166 of this title.

**EFFECTIVE DATE OF 1978 AMENDMENT**

Section 702(e)(2) of Pub. L. 95-600 provided that: “The amendments made by this section [amending this section] shall apply to the estates of decedents dying after December 31, 1976.”

**§ 6324B. Special lien for additional estate tax attributable to farm, etc., valuation**

**(a) General rule**

In the case of any interest in qualified real property (within the meaning of section 2032A(b)), an amount equal to the adjusted tax difference attributable to such interest (within the meaning of section 2032A(c)(2)(B)) shall be a lien in favor of the United States on the property in which such interest exists.

**(b) Period of lien**

The lien imposed by this section shall arise at the time an election is filed under section 2032A and shall continue with respect to any interest in the qualified real property—

(1) until the liability for tax under subsection (c) of section 2032A with respect to such interest has been satisfied or has become unenforceable by reason of lapse of time, or

(2) until it is established to the satisfaction of the Secretary that no further tax liability may arise under section 2032A(c) with respect to such interest.

**(c) Certain rules and definitions made applicable**

**(1) In general**

The rule set forth in paragraphs (1), (3), and (4) of section 6324A(d) shall apply with respect to the lien imposed by this section as if it were a lien imposed by section 6324A.

**(2) Qualified real property**

For purposes of this section, the term “qualified real property” includes qualified replacement property (within the meaning of section 2032A(h)(3)(B)) and qualified exchange property (within the meaning of section 2032A(i)(3)).

**(d) Substitution of security for lien**

To the extent provided in regulations prescribed by the Secretary, the furnishing of security may be substituted for the lien imposed by this section.

(Added Pub. L. 94-455, title XX, §2003(b), Oct. 4, 1976, 90 Stat. 1861; amended Pub. L. 95-600, title VII, §702(r)(4), Nov. 6, 1978, 92 Stat. 2939; Pub. L. 96-222, title I, §108(d), Apr. 1, 1980, 94 Stat. 228; Pub. L. 97-34, title IV, §421(d)(2)(B), Aug. 13, 1981, 95 Stat. 309.)

**AMENDMENTS**

1981—Subsec. (c)(2). Pub. L. 97-34 defined “qualified real property” to include qualified exchange property (within the meaning of section 2032A(i)(3)).

1980—Subsec. (c). Pub. L. 96-222 designated existing provisions as par. (1), substituted “The rule” for “The rules”, and added par. (2).

1978—Subsec. (b). Pub. L. 95-600 substituted “qualified real property” for “qualified farm real property”.

## EFFECTIVE DATE OF 1981 AMENDMENT

Amendment by Pub. L. 97-34 applicable with respect to exchanges after Dec. 31, 1981, see section 421(k)(3) of Pub. L. 97-34, set out as a note under section 2032A of this title.

## EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-222 effective, except as otherwise provided, as if it had been included in the provisions of the Revenue Act of 1978, Pub. L. 95-600, to which such amendment relates, see section 201 of Pub. L. 96-222, set out as a note under section 32 of this title.

## EFFECTIVE DATE OF 1978 AMENDMENT

Amendment by Pub. L. 95-600 applicable to estates of decedents dying after Dec. 31, 1976, see section 702(r)(5) of Pub. L. 95-600, set out as a note under section 2051 of this title.

**§ 6325. Release of lien or discharge of property****(a) Release of lien**

Subject to such regulations as the Secretary may prescribe, the Secretary shall issue a certificate of release of any lien imposed with respect to any internal revenue tax not later than 30 days after the day on which—

**(1) Liability satisfied or unenforceable**

The Secretary finds that the liability for the amount assessed, together with all interest in respect thereof, has been fully satisfied or has become legally unenforceable; or

**(2) Bond accepted**

There is furnished to the Secretary and accepted by him a bond that is conditioned upon the payment of the amount assessed, together with all interest in respect thereof, within the time prescribed by law (including any extension of such time), and that is in accordance with such requirements relating to terms, conditions, and form of the bond and sureties thereon, as may be specified by such regulations.

**(b) Discharge of property****(1) Property double the amount of the liability**

Subject to such regulations as the Secretary may prescribe, the Secretary may issue a certificate of discharge of any part of the property subject to any lien imposed under this chapter if the Secretary finds that the fair market value of that part of such property remaining subject to the lien is at least double the amount of the unsatisfied liability secured by such lien and the amount of all other liens upon such property which have priority over such lien.

**(2) Part payment; interest of United States valueless**

Subject to such regulations as the Secretary may prescribe, the Secretary may issue a certificate of discharge of any part of the property subject to the lien if—

(A) there is paid over to the Secretary in partial satisfaction of the liability secured by the lien an amount determined by the Secretary, which shall not be less than the value, as determined by the Secretary, of the interest of the United States in the part to be so discharged, or

(B) the Secretary determines at any time that the interest of the United States in the part to be so discharged has no value.

In determining the value of the interest of the United States in the part to be so discharged, the Secretary shall give consideration to the value of such part and to such liens thereon as have priority over the lien of the United States.

**(3) Substitution of proceeds of sale**

Subject to such regulations as the Secretary may prescribe, the Secretary may issue a certificate of discharge of any part of the property subject to the lien if such part of the property is sold and, pursuant to an agreement with the Secretary, the proceeds of such sale are to be held, as a fund subject to the liens and claims of the United States, in the same manner and with the same priority as such liens and claims had with respect to the discharged property.

**(4) Right of substitution of value****(A) In general**

At the request of the owner of any property subject to any lien imposed by this chapter, the Secretary shall issue a certificate of discharge of such property if such owner—

(i) deposits with the Secretary an amount of money equal to the value of the interest of the United States (as determined by the Secretary) in the property; or

(ii) furnishes a bond acceptable to the Secretary in a like amount.

**(B) Refund of deposit with interest and release of bond**

The Secretary shall refund the amount so deposited (and shall pay interest at the overpayment rate under section 6621), and shall release such bond, to the extent that the Secretary determines that—

(i) the unsatisfied liability giving rise to the lien can be satisfied from a source other than such property; or

(ii) the value of the interest of the United States in the property is less than the Secretary's prior determination of such value.

**(C) Use of deposit, etc., if action to contest lien not filed**

If no action is filed under section 7426(a)(4) within the period prescribed therefor, the Secretary shall, within 60 days after the expiration of such period—

(i) apply the amount deposited, or collect on such bond, to the extent necessary to satisfy the unsatisfied liability secured by the lien; and

(ii) refund (with interest as described in subparagraph (B)) any portion of the amount deposited which is not used to satisfy such liability.

**(D) Exception**

Subparagraph (A) shall not apply if the owner of the property is the person whose unsatisfied liability gave rise to the lien.

**(c) Estate or gift tax**

Subject to such regulations as the Secretary may prescribe, the Secretary may issue a certificate of discharge of any or all of the property subject to any lien imposed by section 6324 if the Secretary finds that the liability secured by such lien has been fully satisfied or provided for.

**(d) Subordination of lien**

Subject to such regulations as the Secretary may prescribe, the Secretary may issue a certificate of subordination of any lien imposed by this chapter upon any part of the property subject to such lien if—

(1) there is paid over to the Secretary an amount equal to the amount of the lien or interest to which the certificate subordinates the lien of the United States,

(2) the Secretary believes that the amount realizable by the United States from the property to which the certificate relates, or from any other property subject to the lien, will ultimately be increased by reason of the issuance of such certificate and that the ultimate collection of the tax liability will be facilitated by such subordination, or

(3) in the case of any lien imposed by section 6324B, if the Secretary determines that the United States will be adequately secured after such subordination.

**(e) Nonattachment of lien**

If the Secretary determines that, because of confusion of names or otherwise, any person (other than the person against whom the tax was assessed) is or may be injured by the appearance that a notice of lien filed under section 6323 refers to such person, the Secretary may issue a certificate that the lien does not attach to the property of such person.

**(f) Effect of certificate****(1) Conclusiveness**

Except as provided in paragraphs (2) and (3), if a certificate is issued pursuant to this section by the Secretary and is filed in the same office as the notice of lien to which it relates (if such notice of lien has been filed) such certificate shall have the following effect:

(A) in the case of a certificate of release, such certificate shall be conclusive that the lien referred to in such certificate is extinguished;

(B) in the case of a certificate of discharge, such certificate shall be conclusive that the property covered by such certificate is discharged from the lien;

(C) in the case of a certificate of subordination, such certificate shall be conclusive that the lien or interest to which the lien of the United States is subordinated is superior to the lien of the United States; and

(D) in the case of a certificate of nonattachment, such certificate shall be conclusive that the lien of the United States does not attach to the property of the person referred to in such certificate.

**(2) Revocation of certificate of release or nonattachment**

If the Secretary determines that a certificate of release or nonattachment of a lien im-

posed by section 6321 was issued erroneously or improvidently, or if a certificate of release of such lien was issued pursuant to a collateral agreement entered into in connection with a compromise under section 7122 which has been breached, and if the period of limitation on collection after assessment has not expired, the Secretary may revoke such certificate and reinstate the lien—

(A) by mailing notice of such revocation to the person against whom the tax was assessed at his last known address, and

(B) by filing notice of such revocation in the same office in which the notice of lien to which it relates was filed (if such notice of lien had been filed).

Such reinstated lien (i) shall be effective on the date notice of revocation is mailed to the taxpayer in accordance with the provisions of subparagraph (A), but not earlier than the date on which any required filing of notice of revocation is filed in accordance with the provisions of subparagraph (B), and (ii) shall have the same force and effect (as of such date), until the expiration of the period of limitation on collection after assessment, as a lien imposed by section 6321 (relating to lien for taxes).

**(3) Certificates void under certain conditions**

Notwithstanding any other provision of this subtitle, any lien imposed by this chapter shall attach to any property with respect to which a certificate of discharge has been issued if the person liable for the tax reacquires such property after such certificate has been issued.

**(g) Filing of certificates and notices**

If a certificate or notice issued pursuant to this section may not be filed in the office designated by State law in which the notice of lien imposed by section 6321 is filed, such certificate or notice shall be effective if filed in the office of the clerk of the United States district court for the judicial district in which such office is situated.

**(h) Cross reference**

**For provisions relating to bonds, see chapter 73 (sec. 7101 and following).**

(Aug. 16, 1954, ch. 736, 68A Stat. 783; Pub. L. 85-866, title I, § 77, Nov. 2, 1966, 72 Stat. 1662; Pub. L. 89-719, title I, § 103(a), Nov. 2, 1966, 80 Stat. 1133; Pub. L. 94-455, title XIX, § 1906(b)(13)(A), Oct. 4, 1976, 90 Stat. 1834; Pub. L. 95-600, title V, § 513(a), Nov. 6, 1978, 92 Stat. 2883; Pub. L. 97-248, title III, § 348(a), Sept. 3, 1982, 96 Stat. 638; Pub. L. 105-206, title III, § 3106(a), July 22, 1998, 112 Stat. 732.)

**AMENDMENTS**

1998—Subsec. (b)(4). Pub. L. 105-206 added par. (4).

1982—Subsec. (a). Pub. L. 97-248 in introductory provisions substituted “shall issue” for “may issue” and “not later than 30 days after the day on which” for “if”.

1978—Subsec. (d)(3). Pub. L. 95-600 added par. (3).

1976—Pub. L. 94-455 struck out “or his delegate” after “Secretary” wherever appearing.

1966—Subsec. (b)(3). Pub. L. 89-719 added par. (3).

Subsecs. (d), (e). Pub. L. 89-719 added subsecs. (d) and (e). Former subsecs. (d) and (e) redesignated, with amendments, as subsecs. (f)(1) and (h), respectively.

Subsec. (f). Pub. L. 89-719 redesignated as par. (1) provisions formerly constituting subsec. (d), inserted reference to exceptions provided in pars. (2) and (3) and reference to the filing of the certificate in the same office as the notice of lien to which it refers and expanded the types of certificates to include separate certificates of release, discharge, subordination, and non-attachment, and added pars. (2) and (3).

Subsec. (g). Pub. L. 89-719 added subsec. (g).

Subsec. (h). Pub. L. 89-719 redesignated as subsec. (h) provisions formerly constituting subsec. (e) and struck out cross references for single bonds, suits to enforce liens, and suits to clear title to realty.

1958—Subsec. (a)(1). Pub. L. 85-866, § 77(1), substituted “or” for “,” after “satisfied” and struck out “, or, in the case of the estate tax imposed by chapter 11 or the gift tax imposed by chapter 12, has been fully satisfied or provided for” after “unenforceable”.

Subsec. (c). Pub. L. 85-866, § 77(2), added subsec. (c) and redesignated former subsec. (c) as (d).

Subsec. (d). Pub. L. 85-866, § 77(2), (3), redesignated former subsec. (c) as (d) and in heading and text struck out “partial” before “discharge”. Former subsec. (d) redesignated (e).

Subsec. (e). Pub. L. 85-866, § 77(2), redesignated former subsec. (d) as (e).

#### EFFECTIVE DATE OF 1998 AMENDMENT

Pub. L. 105-206, title III, § 3106(c), July 22, 1998, 112 Stat. 734, provided that: “The amendments made by this section [amending this section and sections 6503 and 7426 of this title] shall take effect on the date of the enactment of this Act [July 22, 1998].”

#### EFFECTIVE DATE OF 1982 AMENDMENT

Section 348(b) of Pub. L. 97-248 provided that: “The amendment made by subsection (a) [amending this section] shall apply with respect to liens—

“(1) which are filed after December 31, 1982,

“(2) which are satisfied after December 31, 1982, or

“(3) with respect to which the taxpayer after December 31, 1982, requests the Secretary of the Treasury or his delegate to issue a certificate of release on the grounds that the liability was satisfied or legally unenforceable.”

#### EFFECTIVE DATE OF 1978 AMENDMENT

Section 513(b) of Pub. L. 95-600 provided that: “The amendments made by subsection (a) [amending this section] shall apply with respect to the estates of decedents dying after December 31, 1976.”

#### EFFECTIVE DATE OF 1966 AMENDMENT

Amendment by Pub. L. 89-719 applicable after Nov. 2, 1966, regardless of when title or lien of United States arose or when lien or interest of another person was acquired, with certain exceptions, see section 114(a)-(c) of Pub. L. 89-719, set out as a note under section 6323 of this title.

#### EFFECTIVE DATE OF 1958 AMENDMENT

Amendment by Pub. L. 85-866 effective Aug. 17, 1954, see section 1(c)(2) of Pub. L. 85-866, set out as a note under section 165 of this title.

### § 6326. Administrative appeal of liens

#### (a) In general

In such form and at such time as the Secretary shall prescribe by regulations, any person shall be allowed to appeal to the Secretary after the filing of a notice of a lien under this subchapter on the property or the rights to property of such person for a release of such lien alleging an error in the filing of the notice of such lien.

#### (b) Certificate of release

If the Secretary determines that the filing of the notice of any lien was erroneous, the Sec-

retary shall expeditiously (and, to the extent practicable, within 14 days after such determination) issue a certificate of release of such lien and shall include in such certificate a statement that such filing was erroneous.

(Added Pub. L. 100-647, title VI, § 6238(a), Nov. 10, 1988, 102 Stat. 3743.)

#### PRIOR PROVISIONS

A prior section 6326 was renumbered 6327 of this title.

#### EFFECTIVE DATE

Section 6238(d) of Pub. L. 100-647 provided that: “The amendments made by this section [enacting this section] shall take effect on the date which is 60 days after the date regulations are issued under subsection (b) [set out below].”

#### REGULATIONS

Section 6238(b) of Pub. L. 100-647 required Secretary of the Treasury or Secretary's delegate to prescribe regulations necessary to implement administrative appeal provided for in amendment made by subsection (a) [enacting this section] within 180 days after Nov. 10, 1988.

### § 6327. Cross references

(1) For lien in case of tax on distilled spirits, see section 5004.

(2) For exclusion of tax liability from discharge in cases under title 11 of the United States Code, see section 523 of such title 11.

(3) For recognition of tax liens in cases under title 11 of the United States Code, see sections 545 and 724 of such title 11.

(4) For collection of taxes in connection with plans for individuals with regular income in cases under title 11 of the United States Code, see section 1328 of such title 11.

(5) For provisions permitting the United States to be made party defendant in a proceeding in a State court for the foreclosure of a lien upon real estate where the United States may have a claim upon the premises involved, see section 2410 of Title 28 of the United States Code.

(6) For priority of lien of the United States in case of insolvency, see section 3713(a) of title 31, United States Code.

(Aug. 16, 1954, ch. 736, 68A Stat. 782, § 6326; Pub. L. 94-455, title XIX, § 1906(a)(20), Oct. 4, 1976, 90 Stat. 1825; Pub. L. 96-589, § 6(i)(10), Dec. 24, 1980, 94 Stat. 3411; Pub. L. 97-258, § 3(f)(7), Sept. 13, 1982, 96 Stat. 1064; renumbered § 6327, Pub. L. 100-647, title VI, § 6238(a), Nov. 10, 1988, 102 Stat. 3743.)

#### AMENDMENTS

1982—Par. (6). Pub. L. 97-258 substituted “section 3713(a) of title 31, United States Code” for “R.S. 3466 (31 U.S.C. 191)”.

1980—Par. (2). Pub. L. 96-589, § 6(i)(10)(A), substituted “cases under title 11 of the United States Code, see section 523 of such title 11” for “bankruptcy, see section 17 of the Bankruptcy Act, as amended (11 U.S.C. 35)”.

Par. (3). Pub. L. 96-589, § 6(i)(10)(A), redesignated par. (4) as (3) and substituted “cases under title 11 of the United States Code, see sections 545 and 724 of such title 11” for “proceedings under the Bankruptcy Act, see section 67(b) and (c) of that act, as amended (11 U.S.C. 107)”. Former par. (3), which provided cross reference to section 93 of title 11 for limit on amount allowed in bankruptcy proceedings on debts owing to the United States, was struck out.

Par. (4). Pub. L. 96-589, § 6(i)(10)(A), redesignated par. (5) as (4) and substituted “plans for individuals with

regular income in cases under title 11 of the United States Code, see section 1328 of such title 11” for “wage earners’ plans in bankruptcy courts, see section 680 of the Bankruptcy Act, as added by the act of June 22, 1938 (11 U.S.C. 1080)”. Former par. (4) redesignated (3).

Pars. (5) to (7). Pub. L. 96-589, §6(i)(10)(A), (B), redesignated pars. (6) and (7) as (5) and (6), respectively. Former par. (5) redesignated (4).

1976—Pars. (2) to (5). Pub. L. 94-455 struck out parenthetical references to “52 Stat. 851;”, “52 Stat. 867;”, “52 Stat. 867-877;” and “52 Stat. 938;” preceding parenthetical references to sections of title 11.

#### EFFECTIVE DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96-589 effective Oct. 1, 1979, but not applicable to proceedings under Title 11, Bankruptcy, commenced before Oct. 1, 1979, see section 7(e) of Pub. L. 96-589, set out as a note under section 108 of this title.

### Subchapter D—Seizure of Property for Collection of Taxes

#### Part

- I. Due process for collections.
- II. Levy.

#### AMENDMENTS

1998—Pub. L. 105-206, title III, §3401(b), July 22, 1998, 112 Stat. 747, added part analysis.

### PART I—DUE PROCESS FOR COLLECTIONS

#### Sec.

- 6330. Notice and opportunity for hearing before levy.

#### AMENDMENTS

1998—Pub. L. 105-206, title III, §3401(b), July 22, 1998, 112 Stat. 747, added part heading and analysis consisting of item 6330.

### § 6330. Notice and opportunity for hearing before levy

#### (a) Requirement of notice before levy

##### (1) In general

No levy may be made on any property or right to property of any person unless the Secretary has notified such person in writing of their right to a hearing under this section before such levy is made. Such notice shall be required only once for the taxable period to which the unpaid tax specified in paragraph (3)(A) relates.

##### (2) Time and method for notice

The notice required under paragraph (1) shall be—

- (A) given in person;
- (B) left at the dwelling or usual place of business of such person; or
- (C) sent by certified or registered mail, return receipt requested, to such person’s last known address;

not less than 30 days before the day of the first levy with respect to the amount of the unpaid tax for the taxable period.

##### (3) Information included with notice

The notice required under paragraph (1) shall include in simple and nontechnical terms—

- (A) the amount of unpaid tax;
- (B) the right of the person to request a hearing during the 30-day period under paragraph (2); and

(C) the proposed action by the Secretary and the rights of the person with respect to such action, including a brief statement which sets forth—

- (i) the provisions of this title relating to levy and sale of property;
- (ii) the procedures applicable to the levy and sale of property under this title;
- (iii) the administrative appeals available to the taxpayer with respect to such levy and sale and the procedures relating to such appeals;
- (iv) the alternatives available to taxpayers which could prevent levy on property (including installment agreements under section 6159); and
- (v) the provisions of this title and procedures relating to redemption of property and release of liens on property.

#### (b) Right to fair hearing

##### (1) In general

If the person requests a hearing in writing under subsection (a)(3)(B) and states the grounds for the requested hearing, such hearing shall be held by the Internal Revenue Service Office of Appeals.

##### (2) One hearing per period

A person shall be entitled to only one hearing under this section with respect to the taxable period to which the unpaid tax specified in subsection (a)(3)(A) relates.

##### (3) Impartial officer

The hearing under this subsection shall be conducted by an officer or employee who has had no prior involvement with respect to the unpaid tax specified in subsection (a)(3)(A) before the first hearing under this section or section 6320. A taxpayer may waive the requirement of this paragraph.

#### (c) Matters considered at hearing

In the case of any hearing conducted under this section—

##### (1) Requirement of investigation

The appeals officer shall at the hearing obtain verification from the Secretary that the requirements of any applicable law or administrative procedure have been met.

##### (2) Issues at hearing

###### (A) In general

The person may raise at the hearing any relevant issue relating to the unpaid tax or the proposed levy, including—

- (i) appropriate spousal defenses;
- (ii) challenges to the appropriateness of collection actions; and
- (iii) offers of collection alternatives, which may include the posting of a bond, the substitution of other assets, an installment agreement, or an offer-in-compromise.

###### (B) Underlying liability

The person may also raise at the hearing challenges to the existence or amount of the underlying tax liability for any tax period if the person did not receive any statutory notice of deficiency for such tax liability or did